

CANADA AT WAR



Canada War-time Information Board

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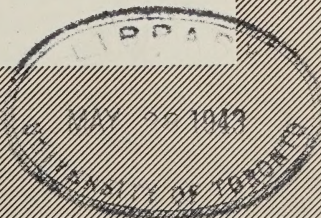
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No. 24

MAY

1943



“LEND-LEASE AND REVERSE LEND-LEASE are not limited to transfers between the United States and other United Nations. They are also supplying each other on substantially the same terms.

“During the last year Canada has provided Great Britain, Russia, Australia and New Zealand with a billion dollars' worth of supplies without payment. In proportion to population, this is the equivalent for the United States of at least 12 billion dollars' worth of lend-lease aid. The Canadian government is now proposing to grant mutual aid to the extent of another \$1,000,000,000 for the United Nations.

“Already Canada has supplied its Allies with important quantities of war equipment, for the most part without cash reimbursement. Shipments have included \$50,000,000 of tanks to Russia alone, in addition to large shipments to the United Kingdom. More than 400,000 military motor vehicles, excluding tanks, have been sent to other United Nations. More than 1,000,000 shells a month are going abroad. Canada is producing rifles and light machine guns at the rate of 1,500,000 a year, and most of these are going to the forces of other United Nations.

“Canada and the United States up to now have been on a cash basis in both directions, but our respective war production programs have been closely integrated.”

EDWARD R. STETTINIUS, JR., *lend-lease administrator, in a report on lend-lease operations to Congress.*



CANADIAN CONVOY ROLE

CANADA and Great Britain are now responsible for the safe conduct of all the convoys which travel the vital North Atlantic route, it was announced jointly by the ministers of Navy and Air Force on May 1.

While the United States will retain strategic responsibility for the Western Atlantic, including escort operations not related to British trade convoys and local Canadian traffic, complete charge of trade convoys from North-western Atlantic ports to the United Kingdom has been assumed by Canada and Great Britain. United States escort vessels will continue, however, to assist Canadian and British forces, and the U.S. Army Air Force will continue to furnish certain material and crews. U.S.

military and naval aircraft stationed at Newfoundland and employed in anti-submarine work will be under the direct operational control of the Eastern Air Command, R.C.A.F.

Rear Admiral L. W. Murray, R.C.N., has been appointed Commander-in-Chief, Canadian Northwest Atlantic, thus becoming the first Canadian Commander-in-Chief in this conflict to assume the operational direction of a vital war area in which the enemy is being actively engaged. His position will be the counterpart of the Commander-in-Chief, Western Approaches, in the United Kingdom.

Anti-submarine aviation activities in the Northwest Atlantic will be under the operational control of Air Vice-Marshal

George Johnson, Air Officer Commanding-in-Chief of the Eastern Air Command.

Atlantic Umbrella

New long-range Canadian and United States bombers will patrol the convoy routes to "somewhere in mid-Atlantic," when British bombers will take over, providing a trans-Atlantic umbrella over every mile of the route from North America to Europe. Naval authorities will outline the work to be done, and Air Force authorities will work out the details and carry out the air operations.

Both the R.C.N. and the R.C.A.F. have been constantly engaged in the fight against submarines and have gained much battle experience. In the last 18 months R.C.A.F. aircraft have made about 50 attacks on enemy submarines. The R.C.N., in addition to other operations, has been providing nearly half the convoy protection in the North Atlantic. The experience of all concerned, combined and co-ordinated under one control, assures a concentrated attack on the undersea menace, which is expected to reach a pitch of peak intensity in the coming summer.



NERVE CENTRES OF WAR

THE field of signals is the nerve centre of war. In global war, military intelligence is transmitted over thousands of miles, from continent to continent, and from hemisphere to hemisphere, as easily and as quickly as from house to house in any Canadian municipality. Wireless, telephone, telegraph, teletype and other means of

communication are indispensable weapons of offensive and defensive warfare.

To supply the armed forces with these weapons of "winged words" Canada has embarked upon a large program of signals production. Today, besides filling the needs of the army, navy and air force, Canada is exporting communications equipment

to Britain, Russia, India, Australia, New Zealand and the United States. Canadian-made radio sets are seeing service in every theatre of war, for virtually all tanks, guns and ships are radio controlled.

Equipment Output Soars

From a modest industry with an annual peacetime production of \$15,000,000, the manufacturing of communications equipment has grown by more than 1,600 per cent since 1939. There was little military production in 1940 because signals equipment, much of which was adopted from Britain and re-engineered to suit Canadian needs, was still in the process of design. But production leaped to \$35,000,000 in 1941 as the program got under way. Last year military communications equipment valued at more than \$100,000,000 was turned out. And in the present year Hon. C. D. Howe, Minister of Munitions and Supply, has forecast production at more than \$250,000,000.

To meet these enormous demands, the major electrical concerns of Canada have converted their facilities almost 100% to war work and are now employing more than 20,000 persons.

Many other Canadian suppliers and a number of United States firms are contributing "bits and pieces" for the program. More than 600 major contracts and 4,000 minor contracts have been let in the two countries.

New Secret Weapons

Canada is also a large producer of secret ground and air detection apparatus, some of which is so complicated that several flat cars are required to move one set. The Dominion, because of its fine research facilities, is the sole producer of some of this equipment and is supplying it to the United States as well as to Britain.

The problem of designing, producing and maintaining signals equipment is an enormous one. Unlike civilian radios, which are designed to operate under near perfect conditions, the military radio must function as well at 50 degrees below zero as at 150 above. It must operate unaffected by high altitudes, moisture or corrosive effects of salt water. It must withstand the terrific pounding received in fighting vehicles. To meet these conditions, exhaustive tests are conducted in Canadian radio laboratories and in the field on

each type of equipment before it is adopted and the design finalized.

Each new type of tank, armoured car or other radio-equipped vehicle introduces new problems of installation and suppression of radio interference caused by static electricity and electrical mechanism.

There is a never-ending search for new equipment. For this purpose the Signals Production Branch of the Department of Munitions and Supply maintains a research division which is constantly delving into new fields. Requests and suggestions from Canadian military authorities open up new lines of research and thousands of inventions and ideas sent in by patriotic Canadians are investigated for their possible wartime value.

Co-ordination of Production

The rubber shortage has provided an acute problem in signals production and very extensive research has been conducted

to develop synthetics suitable for cable insulation and for the many other purposes formerly served by rubber.

The maintenance and repair of signals equipment creates a major problem of production and supply in itself. For each wireless set there must be a specified number of spares for each of the parts. Consider the number of types of equipment being made and the spare parts soon add up to an astronomical figure.

Co-ordination of the various phases of the production program is the job of the Signals Production Branch of the Department of Munitions and Supply. It distributes the load to the best advantage among war plants and interprets and clarifies matters of design for the contractors. Materials must be expedited to speed production and for this purpose the Branch maintains an office in Washington, which works in close collaboration with the U.S. Army Signal Corps.



FACTS AND FIGURES

A Record of Canadian Achievement in War



NAVY

Present strength.....	More than 58,000
Pre-war strength.....	“ “ 1,700

“THE BATTLE OF THE ATLANTIC is fiercer than ever. The submarine has become the deadliest weapon at Hitler’s command . . . The successful control of this menace is a necessary prelude to any successful invasion of the continent of Europe. Now, as never before, the bridge of ships across the North Atlantic must be maintained.” These words of Prime Minister King at Toronto on April 19 express the determination of the Royal Canadian Navy to keep the life-line to Europe unbroken.

Navy Minister Macdonald

stated on April 24 that 77,000,000 deadweight tons of shipping had been carried in convoy across the Atlantic from America to Europe since the war began. He said he did not think Germany could succeed in cutting the North Atlantic life-line. (For an outline of the Navy’s enlarged convoy responsibility see page 3).

The Canadian Navy has four different parts to play in the sea warfare of the United Nations:

- 1) Protection of merchant shipping.

- 2) Protection of Canadian shores.
- 3) Destruction or capture of enemy merchant and fighting ships.
- 4) Blockade.

The Royal Canadian Navy operates more than 500 vessels of the following types: Destroyers, corvettes, auxiliary cruisers, minesweepers, patrol vessels and small craft fitted for the many duties of modern sea warfare.

The greatest strength of the Royal Canadian Navy lies in its corvettes, which are small and especially designed for escort and anti-submarine duties.

Although primarily a navy of small ships designed for convoy protection, the R.C.N. is building up a destroyer fleet which will be no small contribution to the offensive power of the United Nations. A flotilla of eight Tribal class destroyers is being

built for the Royal Canadian Navy. Already two ships of this class, the *Athabaskan* and the *Iroquois*, have been commissioned and are in service, manned by Canadian seamen.

In addition to the Women's Royal Canadian Naval Service, there are three personnel components of the Canadian Navy: The Royal Canadian Navy, the Royal Canadian Naval Reserve and the Royal Canadian Naval Volunteer Reserve. The R.C.N. is the permanent core of the organization. The R.C.N.R. is composed of persons who have followed the sea as a profession. The R.C.N.V.R. is made up of civilians who, in peace-time, were not employed in occupations connected with the sea, but who have been given training to serve afloat.

At May 3, 1943, the Navy was made up of the following:

	Officers	Ratings	Total
R.C.N.....	664	3,393	4,057
R.C.N.R.....	953	5,022	5,975
R.C.N.V.R.....	4,591	44,639	49,230
TOTAL.....	6,208	53,054	59,262
Less Divisional Strength (reserve, on call for active service)....	337	2,753	3,090
TOTAL.....	5,871	50,301	56,172
W.R.C.N.S.....	102	2,175	2,277
TOTAL ACTIVE SERVICE....	5,973	52,476	58,449

Members of the R.C.N.V.R. enter the Navy for the duration through one of the 18 R.C.N.V.R. divisions at Calgary, Charlottetown, Edmonton, Hamilton, Kingston, London, Montreal (2), Ottawa, Port Arthur, Quebec, Regina, Saint John, Saskatoon, Toronto, Vancouver, Windsor and Winnipeg.

After receiving training at R.C.N.V.R. divisions seamen are sent to coastal centres for more advanced training. Special technical training is given at other centres. There are two training establishments and numerous technical training centres.

The R.C.N. is constantly on guard in Canadian coastal waters. The monotonous but vital work of submarine patrol is carried on in the St. Lawrence River itself. The R.C.N. works closely with coastal reconnaissance squadrons of the R.C.A.F. in this vital task, and every day minesweepers steam out from Canadian ports to go about their dangerous job.

Although U-boats lie in wait for Allied shipping in the St. Lawrence River and Gulf, the Minister of the Navy informed

the House of Commons on March 17 that only three out of every 1,000 tons of shipping passing through that area have been lost by enemy action.

The West Coast of Canada, with its deep indentations and myriad small islands, presents a special problem for patrol. The mainland itself stretches 1,580 miles; the islands another 3,980 miles; a total of 5,560 miles to watch over. No orthodox naval force that Canada could put in the water could guard this great length of coastline, but Canada found the answer to this problem ready at hand.

In the early months of 1939, a third reserve for the Navy was formed, drawn from men in the west coast fishing industry. These men know the waters as only fishermen could. Their boats, which they brought with them into the Reserve, were built to negotiate the inlets of the coast. These craft were large and sturdy and were converted easily into patrol boats; but the Fishermen's Reserve was ready to do more than patrol work. Boats were fitted up for minesweeping, and when the war broke out this dangerous but most essential

job was undertaken by them on the west coast.

Corvette H.M.C.S. *Ville de Quebec*
Corvette H.M.C.S. *Port Arthur*
Corvette H.M.C.S. *Regina*

Casualties and losses of the R.C.N. to May 3 were as follows:

Killed on active service.....	791
Other deaths.....	107
Wounded or injured.....	160
Prisoners of war.....	6

Operations of the Navy are secret. Occasionally, however, secrecy is relaxed to reveal a successful action against Axis submarines. Some of the vessels which have registered successes against submarines are:

Destroyer	H.M.C.S. <i>Assiniboine</i>
Corvettes	H.M.C.S. <i>Chambly</i> and H.M.C.S. <i>Moose Jaw</i>
Corvette	H.M.C.S. <i>Oakville</i>
Destroyer	H.M.C.S. <i>Skeena</i> and
Corvette	H.M.C.S. <i>Wetaskiwin</i>
Destroyer	H.M.C.S. <i>St. Croix</i>

Losses of the service in ships and where lost follow:

DESTROYERS:

Fraser, Bay of Biscay.
Margaree, Mid-Atlantic.
Ottawa, Mid-Atlantic.

MINESWEEPER:

Bras D'Or, Gulf of St. Lawrence.

PATROL VESSELS:

Otter, Coast of Nova Scotia.
Raccoon, Western Atlantic.

CORVETTES:

Windflower, Western Atlantic.
Spikenard, South of Newfoundland.
Charlottetown, Gulf of St. Lawrence.
Levis, Western Atlantic.
Louisburg, Mediterranean.
Weyburn, Mediterranean.

The following decorations were awarded to R.C.N. personnel on May 4, 1943:

Companion of the Order of the Bath.....	1
Distinguished Service Order.....	5
Order of the British Empire.....	11
Companion of the Order of the British Empire.....	1
Member of the Order of the British Empire.....	8
Distinguished Service Cross.....	36
Distinguished Service Cross and Bar.....	1
Distinguished Service Medal.....	26
British Empire Medal.....	9
Conspicuous Gallantry Medal.....	1
George Medal.....	1
George Medal and Bar.....	2
Medal of the Order of the British Empire.....	6
Cross of Valour (Polish).....	4
Norwegian War Medal.....	1
Albert Medal.....	1
Mentioned in despatches.....	158
Commendations.....	13
Testimonial.....	1
King's Dirk.....	1

There are 29 different jobs to which a naval recruit may be assigned or promoted. Men with trade experience — plumbers, painters, blacksmiths, electricians, cooks and men with stenographic, banking or accounting knowledge, readily find a place in the Royal Canadian Navy.

There are more than 1,400 members of the Royal Canadian Navy serving with the Royal Navy. These men are scattered across the globe, and little word of their activities gets back to Canada; but occasionally an announcement from the Admiralty in London concerns a Canadian sailor in the R.N. At the same time that it was announced that Lt.-Comdr. E. H. Sherwood, R.C.N.V.R., had been awarded the Distinguished Service Cross "for courage and skill in successful submarine patrols," it was revealed that he commanded a British submarine. Lent to

the Royal Navy in June, 1940, Sherwood volunteered for under-sea duty, proved his worth as a submarine officer and became the first Canadian to command a Royal Navy sub.

Cadets

From the Royal Canadian Sea Cadets come many of the men now serving in the Navy.

In the fall of 1941 there were 27 Sea Cadet Corps in Canada with a total membership of 2,841. Today there are 50 corps throughout the Dominion, with a membership of more than 7,500.

Sea Cadets are between the ages of 15 and 18. They are given physical training, instruction in chart reading, small arms, sailing, navigation, naval terms and elementary naval subjects.

Since the beginning of the war, more than 4,000 former Sea Cadets have joined either the Navy or the Merchant Marine.

*The operations of the Women's Royal Canadian Naval
Services are described under "Women," page 23.*



CANADIAN MERCHANT SEAMEN



Certified to date in central registry, Ottawa.....	38,000
Serving on vessels of Canadian registry listed as missing and presumed dead.....	642
Known to be prisoners of war.....	137
Claims paid by Department of Transport for loss of effects by Canadian Merchant Seamen due to enemy action.....	773
Death pensions being paid to dependents of Canadian Merchant Seamen by Board of Pension Commissioners (April 30, 1943)	
Widows (with 178 children).....	160
Parents (with 4 orphaned children).....	160
	320
Disability pensions being paid to Canadian Merchant Seamen by the Board of Pension Commissioners.....	25
Persons benefiting by Merchant Seamen pensions (not including detention allowance for prisoners of war):	
Adults.....	345
Children.....	182
	527

Of the 642 merchant seamen serving on vessels of Canadian registry who are listed as killed or missing and presumed dead, 436 have next of kin living in Canada. Of these, 179 or 41% come from Quebec, 147 or 33.7% from Nova Scotia, 59 or 13.5% from Ontario, 18 or 4.1% from British Columbia, 15 or 3.5% from New Brunswick, and nine each or 2.1% from Prince Edward Island and the Prairie Provinces.

Of those giving their next of kin as living outside of Canada, 92 came from the British West Indies, 48 from the United Kingdom, 20 from Newfoundland,

four from the United States, one from New Zealand, and the remainder from allied countries now occupied by the enemy.

The Department of Transport maintains and operates, through the Director of Merchant Seamen Training Centres for seamen at Hubbards, N.S., and at Prescott, Ont.

The St. Margaret's Sea Training School at Hubbards, N.S., prepares young men between the ages of 17 and 22 for appointment to foreign-going ships as junior ordinary seamen, with opportunities for a few of the more apt trainees to secure immediate appointment as cadet

officers. This is a 13-week course.

The Marine Engineering Instructional School at Prescott, Ont., provides theoretical and practical training to men from 19 to 30 years of age to fit them for duties of trimmers and firemen. This is a six-week course.

At the Prescott school, tuition is available to men with the requisite engineering experience to enable them to sit for examination for Marine Engineer's Certificate of Competency.

At the several nautical schools in Canada, men with the requisite sea experience can be tutored to enable them to sit for examination for navigating officers' certificates of competency.

In the case of trainees for deck and engine room ratings, board and lodging and reasonable remuneration is provided during the training period. Board, lodging and basic pay of the last rank held at sea is provided for the experienced men taking tuition.



ARMY

Present active strength (including personnel called up under the National Resources Mobilization

Act).....	More than	450,000
Pre-war strength.....	" "	4,500
Reserve Army strength.....	" "	100,000

EMPHASIS OF THE CANADIAN Army on youthful leadership was evidenced again during April with the appointment of a 39-

year-old major-general to command a division of the Canadian Army Overseas. He is Major-General G. G. Simonds, C.B.

Average age of the divisional commanders of the Canadian Army Overseas is 45.

General Simonds spent 13 days with the British Eighth Army in Tunisia during the advance on and capture of Sfax. Youngest officer holding the rank of general in the Canadian Army, he has had a brilliant career as a permanent force officer.

Major-General H. L. N. Salmon, M.C., of Toronto, commander of an infantry division of the Canadian Army Overseas, was killed on April 29 in an airplane crash in southwest England.

Canadian soldiers have been in England for more than three years preparing to meet invasion and training for attack. From the day the first Canadian contingent landed in December, 1939, until the present time, the keynote of Canadian Army life in Britain has been to train in as near to actual battle conditions as possible. During these three years the Canadian Army Overseas has been welded into one of the keenest military striking forces in the world.

Major-General J. H. Roberts, D.S.O., M.C., formerly in command of a division, was appointed to command all reinforcement units in Britain. He was commander of the ground forces in the operation at Dieppe. Reinforcement units comprise a large part of the Canadian Army in Britain. Lieutenant-General McNaughton, commander of the Canadian Army Overseas, has compared these units to substitutes on a football team: "With luck, a football team can win a game without replacements, but no amount of luck can keep an army from calling on its reinforcements during the war."

Among Canadian tradesmen-soldiers overseas, forestry units have set up lumber camps and mills in Scotland. Canadian engineering units have built roads in Britain. On April 20, 297 Canadian Engineers of tunneling companies were honored by General McNaughton for their work in improving the fortifications at Gibraltar. Canadian Engineers have been driving tunnels through the "Rock" for the last two years. The first detachment of engineers, mostly hard rock miners familiar with

modern power drills, arrived at Gibraltar in the fall of 1940. The 297 who paraded before General McNaughton in April were the last to leave it after the job was done.

Defence Headquarters on May 1 announced a number of new appointments to senior positions in the Canadian Army. Brigadier Howard Kennedy, M.C., 50, becomes quartermaster-general with the rank of major-general. He succeeds Major-General John P. Mackenzie, D.S.O., 58, who becomes inspector-general for Western Canada.

Major-General E. J. Renaud, C.B.E., 52, deputy quartermaster-general, is appointed to command Military District No. 4, with headquarters at Montreal, succeeding Major-General E. de B. Panet, C.M.G., D.S.O., E.D., 61, who is retiring.

Personnel of the 1st Canadian Parachute Battalion arrived at Camp Shilo, Manitoba, April 15 to take up training. During the fall and winter of 1942-43, Canadian paratroopers have been training at Fort Benning, Georgia, under an arrangement whereby the United States Army used

Camp Shilo for cold weather tests of United States equipment.

All Canadian Army training is closely co-ordinated with that of Britain and the United States. Training in Canada is integrated with training in Britain, and there is an extensive two-way exchange of officers between the Canadian Army in Britain and the Canadian Army in Canada.

The Canadian Army has not participated in any prolonged campaigns during this war, but in the two major actions in which Canadian troops have taken part—Hong Kong and Dieppe—many feats of valor were recorded. Canada's first Victoria Cross in this war was won by Lieutenant-Colonel C. C. Merritt at Dieppe. Among decorations which other Canadian soldiers have won are 13 Distinguished Service Orders, two George Crosses, 19 Military Crosses, four George Medals, 13 Distinguished Conduct Medals, 50 Military Medals and 92 Mentions in Dispatches.

About the beginning of the current year a plan was initiated whereby groups of Canadian

officers and non-commissioned officers spent short periods of time with the British Armies in North Africa to gain battle experience. While comparatively small, the detachments included representatives of virtually every type of unit—armored regiments, infantry, artillery, supply and signal services and some medical officers. These were the first members of the Canadian Army to join the Allies in this battle area. The groups are rotated—they remain in the North African theatre of war for several months to learn all they can of battle conditions and then return to Britain to pass on the information to their units, while other small detachments succeed them.

National Defence Headquarters on April 4, announced a change in assigned pay and dependents' allowance rules. The same amount of assigned pay and dependents' allowance will be paid for six months after a casualty as had been paid previously. This will give dependents a period of not less than six months to make the financial adjustments that may be necessitated by casualties. The new regulations are retroactive,

and all killed and missing cases to date will be reviewed and adjustments made where necessary. If the pension rate which would, in the ordinary course of events, be paid is higher than the assigned pay and dependents' allowance, then the pension rate will be paid.

Within the organization of the Reserve Army are 12 brigade groups across the Dominion, equivalent to four divisions. Each brigade group is under the command of a full-time Active Army commander. Large numbers of reservists join the Active Army each month. Reserve units are given regular weekly training periods, as well as an annual training period in camp. They are equipped with some of the latest devices of modern warfare. The training follows closely that of the Active Army.

Cadets

More than 95,000 Canadian boys are training in the Royal Canadian Army Cadets.

Plans are being made for extensive training at summer camps. Cadets are taught citizenship, air raid precautions, physical training, first aid, sig-

nalling, drill and command, use of maps, telegraphy and telephony, small arms, woodcraft and military mathematics as well as elementary fieldcraft and field engineering.

Distribution of uniforms to 70,000 army cadets began May 10. Khaki in color, the uniforms consist of blouse, trousers, cap,

shirt, necktie and web anklets. Red maple leaves with the initials R.C.A.C. in a green monogram are worn on the arm under the unit title patch.

Senior Cadets must be 15 years of age or 14 years of age and in Grade 10 at September 1 of the current school year. Juniors are those between 12 and 15.

The operations of the Canadian Women's Army Corps are described under "Women," page 23.



AIR FORCE

Present strength.....	More than 200,000
Pre-war strength.....	Approximately 4,000

APRIL, 1943, WAS A MONTH of hammer blows, smashing out of the air to cripple the Nazi war economy. By day and by night centres of Axis industry and transportation felt the strength

of growing United Nations air power. German war plants are being transferred to the east and to the south in an effort to escape beyond the range of the Lancasters and Halifaxes.

Planes of the R.C.A.F. bomber group participated in the largest night operation of the year when more than 600 bomber aircraft struck at Pilsen in Czechoslovakia and Mannheim and Ludwigshafen in Germany. It was good bombing weather, and the attack had a devastating effect on two of the enemy's largest and most important armament centres. Pilsen, home of the famous Skoda armament works, is about 700 miles from London and seldom feels the force of the block busters of the Bomber Command. Guns to defend the French channel coast, mobile field pieces and armour plate used to be made by Skoda. The twin cities of Mannheim and Ludwigshafen were the seats of a large and vital chemical industry.

The great Krupp armament works at Essen were bombed on April 3 and on April 30 by the R.A.F. and R.C.A.F., and on the night of April 14 the Canadians joined the R.A.F. in a raid on the southwestern German industrial centre of Stuttgart. The Stuttgart saturation raid was the first operation in which all squadrons of the new Canadian Bomber Group took part. It

left Stuttgart's airplane, tank and submarine engine plants blazing. Ten of the 23 planes lost in this raid were Canadian. At least three German night fighters were shot down, two of them by Canadian planes.

Other Axis defence centres were bombed by the R.C.A.F. during the month. On the night of April 4 a heavy force of the Bomber Command attacked the Baltic naval base and U-boat yards at Kiel, and the largest force of the Canadian Bomber Group yet to go into action participated.

The great river port and steel city of Duisburg, 12 miles west of Essen in northwest Germany, was raided for the 59th time on the night of April 26. Weather over the target was good, and R.C.A.F. and R.A.F. bombers dropped 30 tons of bombs a minute for 45 minutes. Many fires were started, and large explosions were reported. The British Air Ministry revealed that after a raid in force on Stettin on April 20, 90% of the buildings of the chemical works there were destroyed. A single area of more than 100 acres was devastated. The chemical plant

covered 51 acres, and but one of its buildings escaped damage, reconnaissance photographs showed. Photographs could not be taken from the air until two days after the bombing attack because of the pall of smoke.

R.C.A.F. fighter squadrons participated in many operations during April in escorting R.C.A.F., R.A.F. and U.S.A.A.F. bombers over Europe, joining in the air battle in Tunisia and shooting up Axis lines of communication and transportation in occupied territory.

The Air Ministry at London announced on April 24 that combined blows of the Canadian, British and United States train-busters are smashing locomotives in Europe at the rate of 150 each month. The largest locomotive plant in Europe, the Fives-Lille in northern France, has a top production capacity of 100 locomotives a year, and there is reason to believe that the plant, which has been the target of persistent Allied bombing, is not producing at anything like peak capacity. In March Allied fighter planes alone knocked out nearly 100 locomotives, and railway targets were hit on 21

of 31 days. The effect of these attacks on the country dependent on transportation by land is obvious.

There are about 38 R.C.A.F. squadrons serving in the United Kingdom and elsewhere.

A majority of R.C.A.F. personnel overseas is serving with R.A.F. squadrons. R.A.F. units in every part of the world include Canadian personnel. Canadians make up one quarter of the "flying garrison" of Malta. The 1,000th Axis aircraft destroyed by a Malta-based plane was shot down on April 28 by Squadron Leader John Lynch of Alhambra, California, a U.S.-born R.C.A.F. flier.

About 2,000 Canadian airmen are taking part in the air battles over the deserts of the Middle East. In a fierce air combat over Tunisia on April 20, Sergeant Michael Askey of Winnipeg, a 20-year-old R.C.A.F. pilot shot down three enemy aircraft. Flight Lieutenant James Francis Edwards, 21, has destroyed 10 enemy aircraft over the Tunisian desert.

R . C . A . F . reconnaissance

squadrons continue their fight against submarines along the Canadian coast. On April 26 Canadians carried out two of the 13 attacks on Kiska in the Aleutians, a U.S. Navy Department communique stated.

Expenses of all R.C.A.F. squadrons and pay of R.C.A.F. personnel overseas, whether serving with R.A.F. or R.C.A.F. formations, is being met by Canada, Air Minister Power announced on April 20. Mr. Power tabled an agreement in the House of Commons involving an outlay of an additional \$341,000,000 during the current fiscal year, which began April 1. The new plan became effective April 1; base pay offices to serve the United Kingdom, the Middle East, West and Northwest Africa, India, Burma and Ceylon began operation on May 1.

The R.C.A.F. has won the following decorations:

George Cross.....	1
George Medal.....	5
D.S.O.....	3
D.F.C.....	225
Bar to D.F.C.....	11
D.F.M.....	143
A.F.C.....	38
A.F.M.....	24
B.E.M.....	36
U.S.D.F.C.....	1
U.S. Army Air Medal.....	4

The B.C.A.T.P.

"If Canada had done nothing else in this war, her predominant share in the Commonwealth Air Training Scheme would insure for her an enduring place in the roll of fame," Rt. Hon. Anthony Eden, Britain's foreign secretary, told the Canadian Parliament on April 1.

Although the British Commonwealth Air Training Plan is essentially Canadian, young men from all the United Nations learn the art of air combat in the schools of the plan. Mr. Eden spoke of the respect and understanding growing out of this "greater comradeship of the air." "These young pilots may be the best ambassadors of the future," he said. "If we can only capture and keep the spirit which they have learned in these schools there is no international problem which we cannot resolve."

An ever-growing proportion of all aircrew required to man the planes on the fighting fronts is trained in the B.C.A.T.P. A joint enterprise of the Canadian, Australian, New Zealand and United Kingdom governments,

it is administered by the R.C. A.F., and 60% of the graduates are Canadians.

The plan is based on a proposal made to the governments of Canada, Australia and the United Kingdom on September 26, 1939, to set up a common air training system. The proposal was accepted in principle by the Canadian government on September 28. The first agreement was signed on December 17, 1939, the same day the first contingent of the Canadian Army landed in Britain. Immediately the great project of building airfields and training instructors began.

Eight elementary flying training schools were opened in June and July of 1940. First recruits reported for duty on April 29, 1940, and the first graduates, observers and air gunners, qualified several months later and in November, 1940, arrived in Britain.

All the schools of the plan were to be in operation during 1942. On December 15, 1941, two days before the second birthday of the B.C.A.T.P., the final school was opened, beating the time limit by many months.

Under the original agreement Canada paid more than \$600,000,000 of the total \$900,000,000. This original agreement was intended to continue until March, 1943, but a new agreement was signed in June, 1942. It became effective July 1, 1942, and operates to March 31, 1945. Under the new agreement the plan is considerably enlarged. It will cost \$1,500,000,000, 50% of which will be paid by Canada. The United Kingdom will pay the remaining 50%, less deductions representing payments made by New Zealand and Australia for the cost of training aircrew.

A staff of more than 83,000 is required to operate the B.C.A.T.P. Scattered among stations all across the Dominion, the buildings of the plan are equivalent to about 110 good-sized towns and villages, complete with all facilities for working, living, medical care and entertainment.

Air Cadets

The Royal Canadian Air Cadets occupy an important place in Canada's air plans. Only boys between the ages of 15 and 18 who can pass examin-

ations similar to those set for aircrew duties in the R.C.A.F. may be enrolled in the Air Cadets. Many of Canada's airmen in the future will be drawn from this organization. Approximately 800 former Air Cadets are already in the R.C.A.F.

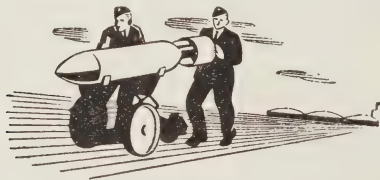
Training given Cadets is substantially the same as basic training in the R.C.A.F. Drill, physical training and model aircraft building are emphasized in the earlier months of the course. Instruction is given later in navigation, map reading, aircraft recognition, signalling, target shooting, first aid work and other subjects which will be of value to the flier. Air Cadets who have completed 50% or

more of the syllabus of cadet training may enlist as aircrew in the R.C.A.F. without being obliged to spend the usual six months in ground duties.

Arrangements have been completed for the boys to spend 10 days in summer camp at air stations throughout Canada. Here cadets will be able to observe the working of the R.C.A.F. at close range, receive technical instruction and absorb the "service atmosphere."

More than 22,000 boys are enrolled in 265 Air Cadet Squadrons across Canada. Plans have been made to increase the strength of the Cadets to 35,000 within the next few months.

*The operations of the R.C.A.F. (Women's Division)
are described in the following section.*



WOMEN



Women over 15 years of age in		
Canada.....	Approximately	3,970,000
Engaged directly or indirectly		
in war industry.....	More than	247,000
In the Armed Services.....	" "	25,995
W.R.C.N.S.....	" "	2,185
C.W.A.C.....	" "	10,500
R.C.A.F. (W.D.).....	" "	11,000
Nursing Services.....	" "	2,275
Female doctors in the Armed		
Services.....		35

THE ASSISTANCE OF CANADA'S women through their work in industry, in business, in the armed services, in their homes and by voluntary effort has played an important part in placing Canada in the position of fourth largest producer of war supplies among the United Nations.

During the seven months to the end of April about 95,000 women were newly employed directly or indirectly in war industry, bringing the total to 247,000 by May 1. About 15,000 women enlisted in the armed services during the seven months prior to May 1.

The Women's Royal Canadian Naval Service, organized in June, 1942, had attested 2,185 and called up 1,703 by May 1.

About 110 are being called each week for rating's training at Galt and Preston, Ontario. Officers are trained in Ottawa. The W.R.C.N.S. hopes to enlist 5,000 by the end of 1943.

Established in July, 1941, the R.C.A.F. (Women's Division) had enlisted more than 11,000 by May 1, and hopes to have 20,000 by the end of 1943.

The Canadian Women's Army Corps had enlisted more than 10,500 by May 1, and hopes to enlist 25,000 by the end of 1943.

More than 2,275 nurses are wearing Canadian war uniforms. The Royal Canadian Army Medical Corps has enlisted 1,586 nursing sisters and has 91 dietitians and physio-therapy aides

and six home sisters. About 280 are serving with the South Africa Military Nursing Service. The R.C.A.F. Nursing Service has 257 nurses on duty, and the Royal Canadian Navy has 152 nurses serving temporarily under the R.C.N. medical directorate.

There are 35 women doctors serving with the armed forces—19 with the Army, 12 with the R.C.A.F., and 4 with the Navy.

During the last 13 months work of women volunteers has been co-ordinated under the direction of the Women's Voluntary Services Division of the Federal Department of National War Services, and 24 Voluntary Service Centres have been established to prevent overlapping of volunteer work throughout the nation.

They have successfully co-ordinated voluntary support of the many national programs such as nutrition, salvage, housing, conservation, rationing, policing prices of consumer goods, encouraging increased war savings, staffing Wartime Day Nurseries, etc. Local programs

arranged through W.V.S. centres are mainly recreational, providing canteens, recreation centres, hospitality in homes, entertainment and comforts for the armed services.

The "block system" of contacting homemakers has been organized in nine cities: Edmonton, Saskatoon, Winnipeg, Kitchener, London, Kingston, Cornwall, and Amherst, and two districts in Toronto. As an example, the Saskatoon block plan has used 1,350 women volunteers, who have contacted 10,362 householders in specific blocks, distributing educational wartime literature, explaining salvage collections and its problems and distributing various types of wartime surveys. The medical authorities in Cornwall have enlisted the aid of the women's Voluntary Service Centre to conduct a survey of the need for immunization of pre-school age children.

The Winnipeg W.V.S. centre initiated its block system project in the recent Red Cross campaign and successfully sold this manner of contacting the public to the city.

FIREFIGHTERS

DURING APRIL Canadian Firefighters fought blazes set by Nazi bombs in a municipality on the English south coast. Commander of the British National Fire Service Unit with which the Canadians worked declared that "the keenness and enthusiasm displayed and the efficient manner in which they carried out their various duties is worthy of the highest praise."

First unit ever mobilized in one country to fight fires in another, the Corps of Canadian Firefighters has recruited 400 Canadians to serve in the United Kingdom. The Corps was organized on March 16, 1942 and by the following June the Firefighters began arriving in Britain.

Recruits are equipped and trained in Ottawa. The Corps represents 105 municipalities in Canada. Two-thirds of the strength is composed of trained firemen, including fire chiefs, assistant fire chiefs and all degrees of lesser rank. Unskilled personnel is selected carefully from applicants whose qualifications indicate they are likely to become first class firefighters.

A. R. P.

CANADIAN COASTAL AREAS and certain industrial regions of Ontario and Quebec have been designated by Army, Navy and Air Force Chiefs of Staff as being of primary importance to defence. A. R. P. organizations have been set up by 622 communities in these areas, with 226,000 A.R.P. workers, 45,000 of them women.

Canadian civilian defence is patterned after that of the United Kingdom, modified to meet Canadian conditions. Through the office of the Director of Civil Air Raid Precautions in Ottawa, the federal government has established committees in each of the nine Canadian provinces.

As in England, a policy of decentralization has been followed. Provincial committees have full jurisdiction over all local A.R.P. groups, and may plan their provincial organization to meet peculiar provincial needs. Federal aid in the form of financial assistance, equipment, supplies and instructional literature is extended to municipalities upon the recommendation of the provincial committees.

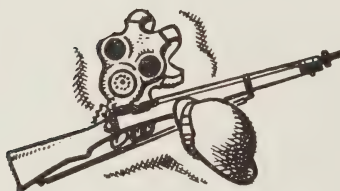
Only where varying provincial regulations would be impractical, as in the case of railways, are national A.R.P. rules laid down. Under a national A.R.P. code, transcontinental railways will be able to operate through various provinces during a black-

out without tie-ups or confusion in transportation.

Compensation for members of authorized A.R.P. organizations injured or killed in the performance of duty has been arranged by the federal government.

Enrolment of A.R.P. Workers in Primary Defence Areas at March 13, 1943.

Officers, control centres, clerical staffs, etc.....	6,757
Wardens' services.....	100,651
Auxiliary police services.....	13,232
Auxiliary fire services.....	15,416
Medical Services (doctors, first aid workers, trained nurses, stretcher bearers, etc.).....	45,380
Engineering Services (bomb reconnaissance, rescue, gas decontamination, demolition squads, etc.)...	19,972
Transportation services.....	18,848
Miscellaneous (disaster relief, telegraphers, etc.)...	6,547
TOTAL.....	226,803
Number of women.....	45,126
Number of communities in which A.R.P. organizations have been set up.....	622





MUNITIONS

Annual peak production rate to be reached in 1943.....	\$3,700,000,000
War production in 1942.....	2,600,000,000
“ “ “ 1941.....	1,200,000,000
Percentage increase.....	117%
Value of munitions and other war materials exported in First Great War....	1,002,672,413



CANADA IS THE FOURTH largest producer of war supplies among the United Nations. War weapons from the Dominion have been shipped to every theatre of war, in the following proportion:

- 30% Canadian forces at home and abroad.
- 50% United Kingdom or British combat areas and to Russia.
- 20% The United States, China, Australia and the Pacific theatres of war.

Once a nation with relatively little experience in the manu-

facture of aircraft, Canada has become one of the major contributors to the United Nations air forces, which have attained a position of dominance on the world battlefronts. First-line operational planes like the Mosquito and Lancaster are being made in Canada.

From an industry making 40 planes a year and employing about 1,000 persons, airplane manufacture has grown to several hundred planes monthly, employing more than 95,000 persons. More than 7,500 planes have been built since the start of war.

Production is concentrated on the following nine types:

FAIRCHILD CORNELL — single - engined elementary trainer.

NORTH AMERICAN HARVARD—single-engined advanced trainer.

CANADIAN ANSON — twin - engined reconnaissance bomber and bombing and gunnery trainer.

BRISTOL BOLINGBROKE — twin-engined reconnaissance bomber and bombing and gunnery trainer.

CATALINA BPY-5 — twin-engined coastal reconnaissance amphibian.

LANCASTER — four - engined long-range bomber.

CURTISS "HELLDIVER" — single-engined navy dive-bomber.

MOSQUITO—twin-engined bomber.

NOORDUYN NORSEMAN — single-engined transport.

Canada's overhaul and repair program itself has developed into a major industry. With the expansion of the R.C.A.F. and the growth of the Air Training Plan, aircraft manufacture and overhaul are being carried out in some 30 plants of all types, strategically located across the Dominion, by men and women numbered in the thousands.

Canada now is manufacturing more than 1,500,000 shells every month, together with great quantities of aerial bombs, trench mortar bombs and anti-tank mines. Production of shells comprises 28 types of 15 different calibres. A great variety

and quantity of shell components are also made. In production are 500-lb. aerial bombs, practice bombs, depth charges, anti-tank mines, grenades, pyrotechnics, etc.

Small arms ammunition now produced is of 22 types of nine calibres. This ammunition is made for every type of small arms being produced in the Dominion. Both go to more than 50 different destinations in every part of the world.

The energy and productive facilities engaged in the production of small arms ammunition may be gauged from the fact that one of these calibres alone—the .303—takes more than 50 separate operations to complete.

Before the war 500 persons were employed making small arms ammunition in one plant. There are now 30,000 workers in two government arsenals and plants being operated for the government by private industry.

About 450,000 automotive vehicles have been produced in Canada since the outbreak of war, 215,000 of which were made in 1942. One of these units consumes approximately twice the

material and labour used on an ordinary commercial vehicle, so that 1942 output is practically equivalent to 430,000 commercial trucks, against an average of less than 40,000 a year for the 10 years prior to the war.

More than 30,000 persons are employed manufacturing more than 100 types of military vehicles.

Less than 10% of Canadian automotive vehicle production is allotted to Canadian forces at home and abroad. The remaining 90% is sent to other United Nations.

Automotive contracts let by the Department of Munitions and Supply in 1942 totalled \$750,000,000, more than twice the investment and production of the industry in 1938.

More than 50% of the mechanized transport used by the British Eighth Army in Africa was manufactured in Canada. An even higher proportion of the load carrying vehicles used by this Army was made in Canada.

Canada has been producing two types of tanks, the Valentine and the Ram. Completion of Valentine production is expected in May, and productive

facilities then will be concentrated on the output of Ram II tanks.

More than 1,000 Canadian-made tanks have been shipped to Russia.

In addition, Canada has sent to the Soviet 2,000 universal carriers, more than 22,000,000 rounds of assorted ammunition, military clothing and supplies and strategic metals and materials.

More than 50,000 persons are employed in Canadian explosives and chemical plants. Creation of this industry has involved capital expenditures of \$140,000,000. Great new plants have been built; chemicals new to Canadian industry are being manufactured and an entirely new industry has been created to fill shells with explosives.

Canada produced only one type of rifle during the last war and turned out no heavy ordnance. Now field, naval, anti-aircraft, tank and anti-tank guns of 12 types, as well as 16 types of carriages and mountings, are being made. In addition, 12 types of small arms are produced by Canadian plants.

Nearly 50,000 small arms are

There are now in various stages of production in Canada 167 cargo ships of the 10,000-ton type and 15 of the 4,700-ton class.

Increased emphasis is being placed upon the construction of escort vessels during 1943 to meet the new responsibilities of the Canadian Navy in the work of convoy in the northwest Atlantic.

The greatest number of escort vessels that will come from Canadian shipyards this year will be corvettes. In this class will be the new frigates, a new fast corvette which is expected to do much in meeting the submarine menace. A new type minesweeper, the Algerine, which will be used on escort duty, will be added to the R.C.N. anti-submarine forces.

Synthetic rubber factories are being set up in Canada, and the first of these will be capable of producing the needs of the armed forces by September, 1943.

Shipbuilding contracts (1st quarter 1940).....	\$50,000,000
" " (1st quarter 1943).....	\$1,000,000,000
Shipyards (1st quarter 1940).....	14 large
" " " "	14 small
Shipyards (1st quarter 1943).....	21 large
" " " "	58 small

Following is a comparison of the production of war manufactures in 1942 and 1941 and from September, 1939, to December, 1940:

	Calendar Year 1942 (Estimate)	Calendar Year 1941 millions of dollars)	Sept., 1939 Dec., 1940
Mechanical transport...	\$404	\$206	\$119
Armoured fighting vehicles, including tanks...	160	22	..
Guns and small arms...	186	22	1

Aircraft, including over- haul.....	235	102	42
Cargo and naval vessels, including repairs.....	274	105	23
Instruments and com- munication devices....	81	13	3
Gun ammunition, in- cluding bombs.....	227	95	14
Small arms ammunition	41	16	2
Chemicals and explos- ives, including filling..	121	50	2
Miscellaneous military stores, including per- sonal equipment, cloth- ing, etc.....	390	190	97

Capital assistance commit-
ments to Canadian industries by
the British and Canadian gov-
ernments as at December 31,
1942, totalled \$1,723,827,099,
of which \$821,042,913 was in
fixed capital, and \$902,784,186

in working capital advances.

A summary of the commit-
ments, according to the nature of
the industry and the percentage
of the commitments expended,
to December 31, 1942, follows:

FIXED CAPITAL		
General munitions.....	\$542,878,407	81.9%
Aircraft.....	75,669,146	61.5
Shipbuilding and ship repairs...	24,126,763	67.7
Government-owned and oper- ated companies (expendi- tures).....	119,036,041	100.0
Arsenals and other Crown plants and miscellaneous physical property and raw material investments (expenditures)...	59,332,556	100.0
TOTAL.....	\$821,042,913	
WORKING CAPITAL ADVANCES....	902,784,186	100.0
GRAND TOTAL.....	\$1,723,827,099	

Percentages of the participation by the two governments in
the fixed capital commitments were as follows:

Canada.....	\$431,108,474	52.5%
United Kingdom.....	193,213,360	23.5
Joint.....	196,721,079	24.0
TOTAL.....	\$821,042,913	100.0

The respective shares of the joint commitments are:

Canada.....	\$ 94,419,181	48.0%
United Kingdom	102,301,898	52.0

Thus the allocation including the respective shares of the joint commitments is:

Canada.....	\$525,527,655	64.0%
United Kingdom	295,515,258	36.0
TOTAL.....	\$821,042,913	100.0

SALVAGE

MORE THAN 319,975,796 POUNDS of salvage materials were collected and marketed during the 23 months from May 1, 1941, to March 31, 1943, according to reports received by the Salvage Division of the Department of National War Services. The reports were received from 68% of the voluntary salvage committees functioning in Canada, of which there are 1,175. Thousands of tons of essential war materials also are collected and disposed of to war industries through other channels.

More than 29% of the material collected by the salvage committees consisted of iron and steel, and close to 40% was made up of waste paper. More

than 22,115,150 pounds of rubber was salvaged.

A fats and bones campaign commenced January 1, 1943, with an objective of at least 40,000,000 pounds for making glycerine for explosives and glue for aircraft. It is hoped collection will eventually average one ounce a person weekly.

Proceeds from the sale of salvage goes to war charity organizations and the auxiliary services of the armed forces. A Crown company, Wartime Salvage Limited, was recently formed to centralize the purchase and distribution of salvaged industrial material.

Collection of materials by provinces up to March 31, 1943, was as follows:

Province	Materials Marketed (lbs.)	Lbs. per 1,000 Population
P.E.I.....	2,620,917	27,588
N.S.....	5,864,489	10,146
N.B.....	6,849,884	14,989
Que.....	53,333,423	16,007
Ont.....	163,958,663	43,284
Man.....	33,549,774	45,958
Sask.....	15,111,292	16,865
Alta.....	16,568,796	20,815
B.C.....	22,118,558	27,040
TOTAL....	319,975,796	27,848

FOOD

OF WORLD-WIDE SIGNIFICANCE is a United Nations conference on food opening at Hot Springs, Virginia, on May 18. Problems relating to consumption, production and distribution of food in the post-war period are being discussed, and Canada is being represented by a delegation of agricultural experts. The food question will be a pressing one after victory is won, for relief will be needed for Europe's hungry millions. Canada's huge productive capacity will be an important aspect in any consideration of the problems.

The conference will not make any commitments or agreements, but will be technical and exploratory in scope, with any recommendations directed to the governments concerned. It is expected to continue three weeks.

Several developments during April emphasized Canada's position as a producer of grain. Stocks of its five principal grain crops at March 31:

1943—1,389,511,867 bushels
(wheat—798,000,000 bushels).

1942—735,315,483 bushels.

Record crops were produced in 1942. Production goals for 1943 call for an increase of all field crops except wheat and rye.

In order to provide "a reservoir of food against eventualities," United States authorities in April discussed with Canadian officials the question of importing wheat into the United States for feed purposes. The amount that can be moved is limited by available transportation facilities, and this matter was considered as well.

In the meantime purchases were made by United States authorities in the regular way in the market for wheat for movement after the opening of navigation. In addition, a continuous movement of coarse grains has taken place by all-rail shipment from Western Canada, and commitments have been made for shipment of coarse grains after the opening of navigation.

On April 30 President Roosevelt removed the quota restrictions on imports of wheat and wheat flour by the War Food Administration from Canada.

The Canadian Wheat Board has entered into an agreement

with the Belgian government in London to deliver 7,000,000 bushels or 200,000 tons of wheat on request when all or part of Belgium is liberated. At present this tonnage would cover the consumption of bread for two and one-half months for the whole of Belgium.

An agreement with the British ministry of food provides for 150,000,000 pounds of cheese to be shipped from Canada to Britain from the production for the year which began April 1. The following figures show the increase in both cheese production and exports to the United Kingdom in the last few years:

Year	Production lbs.	Exports lbs.
1942.....	202,748,875	142,092,573
1941.....	148,913,000	115,392,071
1940.....	145,338,538	93,081,238
1939.....	125,475,359	81,153,800

Canada supplies the United Kingdom with much of its food, but only the most essential foods are shipped, and these are in the most concentrated form.

The Canadian government is conducting research into the dehydration of fruits and vegetables. Food in this form saves valuable shipping space and

keeps longer. All eggs shipped from Canada to the United Kingdom are in powdered form. As an indication of the shipping space saved:

30 dozen shell eggs require $2\frac{1}{2}$ cubic feet of space.

30 dozen powdered eggs require .38 cubic feet of space.

A five-ounce package of powder contains one dozen eggs.

Canada has contracted to ship to Britain in 1943:

9,000 long tons of dried egg powder (the equivalent of 63,000,000 dozen eggs.)

675,000,000 pounds of bacon, plus a certain amount of kidneys, livers and canned pork. (Canada's total estimated pork production in 1943—1,018,302,000 pounds).

Special wartime requirements in Canada during 1943 for feeding thousands of servicemen in training, ships' stores, Red Cross parcels and other needs will total:

35,000,000 pounds of pork products.
70,000,000 pounds of beef (140,000 live animals).

9,000,000 pounds of mutton and lamb (196,000 carcasses).

FINANCE

EXPENDITURES FOR WAR purposes and ordinary government in the year beginning April 1 and ending March 31, 1944, will reach a total of \$5,500,000,000, it is estimated. Of this amount \$3,890,000,000 will be used for the Canadian war machine; \$1,000,000,000 will be given to the United Nations in the form

of war supplies, equipment and foodstuffs, and \$610,000,000 will be spent for ordinary government.

Following is a tabulation showing the expenditure and revenue of the Dominion from the year ended March 31, 1940, which included seven months of war, to the year which began April 1:

	1939-40	1940-41	1941-42	1942-43	1943-44
	—Millions of Dollars— (Estimated) (Budget)				
War Expenditures:					
Army.....	68	383	511	1,078	1,787
Navy.....	11	88	129	208	489
Air Force.....	33	176	371	627	1,129
Dept. of Munitions and Supply.....	...	80	253	689	166
War Services Dept....	...	2	3	9	12
Miscellaneous Depts.	6	23	73	192	307
U.K. financial assistance (budgetary) ..	...	....	....	1,000*	1,000**
TOTAL WAR.....	118	752	1,340	3,803	4,890
Other Govt. Expenditures.....	563	498	545	667	610
TOTAL EXPENDITURES.....	681	1,250	1,885	4,470	5,500
TOTAL REVENUES	562	872	1,489	2,208	2,527
Over-all deficit.....	119	378	396	2,262	2,973
Total revenue to total expenditure.	82%	70%	79%	49%	46%
U.K. financial assistance (non-budgetary) *.....	104	361	1,053	....	....

* Financial assistance in 1942-43 provided for in budget and included in war costs. In previous years assistance was provided outside the budget as it involved investment or debt redemption rather than expenditures.

** Proposed mutual aid bill to provide war supplies, equipment and food to the United Nations.

The \$5,500,000,000 which Canada will spend in 1943-44 is by far the largest expenditure in Canadian financial history. It is approximately 11 times the outlay in an average peace-time year. In comparison, Canada spent during the whole of World War I \$1,670,406,213 for war, including the cost of demobilization.

So far as possible the Canadian government has met the costs of war by pay-as-you-go methods. Taxation has been levied according to ability to pay, and it has been used as a principal weapon in reducing civilian consumption and combatting inflation.

Direct and indirect taxes have been greatly increased. Direct taxes raised eight times as much in the fiscal year ended March 31, 1943, as in the last full peace-time year. Rates of personal income taxes have been raised to record high levels, and the persons paying have been broadened from 300,000 before the war to more than 2,000,000 at present.

Minimum rate of tax on corporations is 40% of profits, and the rate on excess profits is

100%, of which 20% is refundable after the war.

A comparison of total taxes, including the refundable portion, a single man and a married man with two children pay in Canada, the United States and the United Kingdom follows:

INCOME	SINGLE	MARRIED 2 Children
\$700		
Canada	27	....
United States	42	7
United Kingdom	89	....
\$1,000		
Canada	172	....
United States	113	25
United Kingdom	177	....
\$1,500		
Canada	367	49
United States	233	52
United Kingdom	369	91
\$2,500		
Canada	826	435
United States	473	206
United Kingdom	819	463
\$4,000		
Canada	1,594	1,148
United States	877	569
United Kingdom	1,494	1,138
\$10,000		
Canada	5,112	4,546
United States	2,914	2,439
United Kingdom	4,470	4,114
\$20,000		
Canada	11,829	11,063
United States	7,896	7,168
United Kingdom	11,024	10,668
\$30,000		
Canada	19,196	18,230
United States	14,170	13,316
United Kingdom	18,564	18,208

Beginning with the first payroll in April income tax payments were placed on a pay-as-you-owe basis, and the lag between the period in which the liability was incurred and payment made was eliminated. Income tax payments are now deducted from pay envelopes or collected in quarterly instalments. In making the adjustment in payments, 50% of the tax liability on 1942 income was wiped out.

A part of the income tax payments represents a minimum savings portion, which will be refunded to the taxpayer after

the war, with interest at 2% annually.

Luxury taxes have been widely increased to cover all forms of tobacco, alcoholic beverages, entertainment and virtually every form of luxury goods or services.

Despite the wide increase in revenues resulting from these measures the deficits of the government have increased greatly. The deficiencies have been met by borrowings. Most important source of borrowed money has been war loans, details of which follow:

Date of Issue	New Money —In Millions of Dollars—	Conversion	Total	Number of Subscribers
January, 1940....	200	50	250	178,363
September, 1940.	300	25	325	150,890
June, 1941.....	731	106	837	968,259
February, 1942...	843	154	997	1,681,267
October, 1942....	992	...	992	2,041,610

On April 26 the Fourth Victory Loan was offered with a minimum objective of \$1,100,-000,000

Borrowing has more than doubled the net debt of the government since the outbreak

of war. The increase is shown in the following tabulation:

1944 (est).....	\$9,215,000,000
1943 (est).....	6,307,000,000
1942.....	4,045,000,000
1941.....	3,649,000,000
1940.....	3,271,000,000
1939.....	3,152,000,000



CONTROLS

WARTIME CONTROLS IN CANADA are administered chiefly by the following departments, each represented by a minister of the government, who is responsible to the people of Canada through Parliament:

The Wartime Industries Control Board, Department of Munitions and Supply, is responsible for the supply and allocation of all materials essential for war needs.

The Wartime Prices and Trade Board, Department of Finance, has supreme authority in the field of price control and consumer rationing.

National Selective Service, Department of Labour, is responsible for the allocation of manpower to the armed forces, agriculture and essential war industry.

The National War Labour Board administers government regulations on wages control and also regulations on the cost-of-living bonus.

The Foreign Exchange Control Board, Department of Finance, has control over all financial transactions between residents of Canada and other countries.

The Wartime Industries Control Board, established on June 24, 1940, regulates industry so that a maximum of raw materials is available for war production.

The Wartime Industries Control Board and the Wartime Prices and Trade Board work in close co-ordination. The chairman of each board is a permanent member of the other, and all controllers are administrators under the Wartime Prices and Trade Board.

The Wartime Prices and Trade Board was constituted under the War Measures Act, September 3, 1939, "to provide safeguards under war conditions against any undue advancement in the price of food, fuel and other necessities of life, and to ensure an adequate supply and equitable distribution of such commodities."

The responsibility of the Wartime Prices and Trade Board for policing individual prices was broadened in December, 1941, when the government made the board responsible for the maintenance of the over-all price ceiling, which was established to prevent inflation.

The ceiling was the level of retail prices prevailing in the period between September 15 and October 11, 1941. Certain products, such as perishable commodities, were exempted from the price regulations if not sold directly to consumers.

In World War I unchecked price increases imposed severe hardships on Canadians. By the end of the war prices had risen 57.6% above the pre-war level. In the present war, at the time of the application of the over-all price ceiling in December, 1941, the cost-of-living index showed a percentage advance of 14.9 above the pre-war level. The December, 1942 index, after 12 months of price ceiling, showed a cost-of-living advance of only 2.6%.

To stabilize the cost-of-living, prices of certain food commodities were lowered in December, 1942, by the reduction of duties and taxes and payment of subsidies. The retail price of tea was reduced by 10 cents a pound, coffee was reduced by four cents a pound; retail price of milk by two cents a quart and the retail price of oranges was lowered.

The industrial division of the

War-time Prices and Trade Board was established to aid industry, first in distributing the price-ceiling squeeze among retailer, wholesaler and manufacturer, and later to eliminate "frills" and help conserve manpower, material and machinery. This division works with National Selective Service and the Department of Munitions and Supply.

Commitments to Great Britain, the needs of the armed forces, transportation difficulties and shipping losses have necessitated consumer rationing which ensures an equitable distribution of the necessities of living. Each Canadian is entitled to the following rations:

- TEA one ounce weekly, or
- COFFEE four ounces weekly.
(The tea and coffee ration is not available to children under 12).
- SUGAR Half a pound weekly
(plus special seasonal allowance to housewives for canning).
- BUTTER half a pound weekly.
- MEAT (shortly to be rationed)
two pounds weekly.
- GASOLINE a new gasoline rationing plan for car owners, to include every type of automobile vehicle, became effective April 1.

Vehicles are classified as non-commercial or commercial. Non-

commercial vehicles are granted 40 coupons (120 gallons a year at the present coupon value) plus, in certain cases, a "special" allowance granted on the basis of proven vocational needs. Retail delivery trucks are limited to not more than 248 to 748 units a year, depending on the weight of the empty vehicle. Ambulances, buses and taxis will be granted only enough to drive the mileage authorized from time to time by the transit controller.

In order to control volume of purchasing power, as well as prices, both of which would have led to inflation, wages and salaries in Canada were stabilized late in 1941. To adjust wages to wartime price levels, however, every employer, except in a few exempted classes, must pay bonuses to employees below the rank of foreman for each point that the adjusted cost-of-living index (August, 1939 = 100) rises above the level of October, 1941, as announced every three months by the National War Labour Board. The bonus was increased July 15, 1942, when the adjusted index rose to 117.0. The reduction of prices by the payment of subsidies on butter, milk, tea, coffee and oranges

brought the cost-of-living index down from 117.9 in December, 1942, to 116.2 in January, 1943, which means that it had not risen a point above the July, 1942, index of 117.0. Therefore there was no increase in February, 1943, of the cost-of-living bonus. The bonus payment is as follows: 25c for each point rise in the cost of living for all adult male employees and for all other employees employed at basic wage rates of \$25 or more a week; one per cent of their basic weekly wage rates for male employees under 21 and women workers employed at basic wage rates of less than \$25 a week.

MANPOWER

Responsibility for mobilizing and allocating all manpower in Canada rests with National Selective Service, under the Department of Labour. All departments concerned, such as the Department of Munitions and Supply, Agriculture and the armed forces, are co-operating.

The National Selective Service Advisory Board advises the Director of National Selective Service with reference to the utilization of manpower in the prosecution of the war and the

administration and enforcement of National Selective Service regulations.

Labour priorities, in which industries as a whole and selected firms are classified as having very high, high, low or no labour priority, give National Selective Service offices a yardstick by which to gauge the importance of labour requirements. All employment advertising is controlled.

To prevent labour hoarding, employers must notify the employment service of any surplus workers in their employ.

The Minister of Labour, at April, 1943, is empowered to order employers in specified industries to discontinue employing persons in age classes designated for military training after a specified date unless a special permit is obtained. Those affected by the new order must register at the nearest Employment and Selective Service office. This ensures that those men who have been called for national service and are not acceptable to the Army will be engaged in essential work, such as farming, lumbering, coal mining, fishing and munitions work.

Non-compliance with a direction to transfer to higher priority industry, including farm labour, will make a man liable for service in an alternative work camp on somewhat the same basis as a conscientious objector.

Any person between 16 and 65 years of age must register for work with the local office of National Selective Service if not gainfully occupied for seven consecutive days (full time students, housewives and clergy are not included). Men of military call-up age applying for permits to obtain employment must furnish proof that they have not contravened mobilization regulations. No Canadian employer or employee may make any employment arrangement without first obtaining authority of the local office of National Selective Service, unless the parties involved are specially excepted under the regulations.

With certain exceptions, an employee has to submit his resignation seven days prior to leaving his job. An employer similarly must conform to this regulation. A copy of the written notice must be forwarded to the local employment office. The

employee then is given a separation slip, and no employer may interview a prospective employee unless the applicant has a permit from an employment office to look for employment.

National Selective Service is also responsible for the call-up of men for compulsory military training. Under National Selective Service Mobilization regulations men, single or childless widowers at July 15, 1940, from the ages of 19 to 45 inclusive, and medically fit, are liable for military service. So far only men born between 1902 and 1924 inclusive (who have reached the age of 19) are being called. On December 15, 1942, it was announced married men between the ages of 19 and 25 would be called up.

Postponement of military service is usually granted to men engaged in essential industries.

The National War Labour Board, appointed October 24 1941, to adjust labour problems, was recast February 11, 1943, as an industrial court with a membership of three: A chairman, a representative of employees and a representative of

employers, instead of the original 12. The former board members will act in an advisory capacity. Sittings of the National War Labour Board are now open to the press.

CANADA-U. S. CO-OPERATION

IN THE FIELDS OF DEFENCE, economics and war production Canada and the United States have joined forces through the following committees:

Permanent Joint Board on Defence
Materials Co-ordinating Committee
Joint Economic Committees
Joint War Production Committee
Joint Agricultural Committee

Canada is also a member of the Combined Resources and Production Board with Great Britain and the United States.

On August 17, 1940, at Ogdensburg, New York, Canada and the United States signed the agreement on which co-operation in defence is based.

Recommendations of the Defence Board have resulted in the construction of a chain of air bases between Edmonton and Alaska and the Alaska Highway. The air bases, built by Canada,

were opened to traffic in September, 1941. The opening of the airway proved of great assistance in the construction of the Alaska Highway, which was built by the United States with the co-operation of the Canadian government. This 1,600-mile highway was opened November 20, 1942, and is reserved for military traffic exclusively.

Establishment of the Materials Co-ordinating Committee was announced May 1, 1941. Through sub-committees on forest products, copper, zinc and ferro-alloys, the movement of primary materials between the two countries is promoted, available supplies are increased and information exchanged on raw material stocks, production and consumption in the United States and Canada.

The Joint Economic Committees were formed in June, 1941, to act in an advisory capacity to the governments at Ottawa and Washington on foreign exchange control, economic controls, price policies, tariffs and duties and post-war planning.

At Hyde Park, New York, on April 20, 1941, the Prime Minis-

ter of Canada and the President of the United States agreed "as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defence articles which it is best able to produce, and, above all, produce quickly, and that production programs should be co-ordinated to this end."

According to what is known as the Hyde Park Declaration, the United States agreed to buy enough Canadian war goods to enable Canada to pay for essential war materials from the United States.

This measure has proved effective, and Canada now is paying to a large extent for imports by the sale of war supplies to the United States. At present, by economizing in non-essential expenditures of United States dollars, Canada has a small surplus on civilian or non-war account with the United States.

Canada does not use lend-lease accommodation utilized by other United Nations.

There has been no relaxation in foreign exchange control,

which prevents Canadians from obtaining United States currency in Canada for pleasure travelling in the United States.

Formation of the Joint War Production Committee was announced November 5, 1941. The duty of this committee is to reduce duplication, arrange uniform specifications and quick exchanges of supplies, break transportation bottlenecks and exchange information. Ten technical sub-committees carry out the work of the committee.

The Joint Agricultural Committee was set up in March, 1943, to keep agricultural and food production and distribution in Canada and the United States under continuing review in order to further such developments as may be desirable in reference to those phases of wartime agricultural and food programs that are of concern to both countries.

To co-ordinate policies of food production, and to supervise the preparation of information on Canada's food position, the government has set up the Food Requirements Committee, which works closely with the Combined Food Board of the United Kingdom and the United States.

Canada is manufacturing \$1,000,000,000 of war material and equipment for the United States.

In actual military operations Canadian and United States forces have served jointly in Newfoundland, Iceland and Alaska.

R.C.A.F. units are fighting alongside United States air units in Alaska and the Aleutians, Newfoundland and Labrador.

Canadian navigators, air gunners and wireless operators are serving temporarily in the United States Army Air Force.

It is now the joint responsibility of Canada and Great Britain to maintain the North Atlantic life-line, and United States escort vessels are assisting Canadian and British forces. U.S. military and naval aircraft stationed at Newfoundland and employed in anti-submarine warfare duties are under the direct operational control of the Eastern Air Command, Royal Canadian Air Force.

Canadian soldiers are teamed with United States troops in a Special Service Force. This combined group will provide

the nucleus of a force for unified operation in any defensive or offensive operation.

A detachment of Canadian parachute troops trained at Fort Benning, Georgia, during 1942 has returned to Camp Shilo,

Manitoba, to instruct Canadian soldiers in paratroop warfare. The United States troops who were using Camp Shilo during the winter as a cold-weather testing ground for U.S. army equipment have returned to the United States.



POST-WAR PLANNING

DURING APRIL CANADA's parliamentary committees dealing with post-war matters went steadily on with their work. At the present stage this work consists chiefly of hearing witnesses, all experts in their particular fields

of study, who present briefs and answer questions. Such briefs in many cases are the result of work by sub-committees of advisory committees.

Committees concerned with post-war problems fall chiefly in two classes:

A. PARLIAMENTARY:

- (1) Select House of Commons Committee on Reconstruction and Re-establishment.
- (2) Select House of Commons Committee on Social Security.
- (3) Special Senate Committee on Post-War Conditions.

B. ADVISORY:

- (1) Advisory Committee on Demobilization and Rehabilitation.
- (2) Advisory Committee on Reconstruction.
- (3) Advisory Committee on Economic Policy.
- (4) Advisory Committee on Health Insurance.
- (5) In addition, the Canadian section of the Joint Canada-United States Economic Committees acts in an advisory capacity on several matters, including post-war planning.

Among matters before the House Committee on Social Security are the Marsh report on social security for Canada and

the Heagerty health insurance plan, which were summarized in *Canada at War* for April.

APRIL HIGHLIGHTS

- April 1. British Foreign Secretary, Rt. Hon. Anthony Eden, speaks to joint meeting of the House of Commons and the Senate in Ottawa.
- April 2. Prime Minister King makes statement on the government's civil aviation policy, noting Canada intends to press vigorously for a place in international air transportation consistent with the nation's geographical position and progress in aviation.
- April 4. The official cost-of-living rose from 116.9 at February 1 to 117.2 at the beginning of March.
- April 5. First list issued of Canadian casualties in North Africa.
- April 7. Prime Minister King tells the House the United States treasury's plan for post-war monetary stabilization has been submitted to the Canadian government for consideration, but is not an expression of the settled views of the U.S. government so much as a proposed "basis of discussion".
The Dominion Bureau of Statistics reports the number employed in industry in Canada decreased from 1,840,501 at January 1 to 1,815,975 at February 1, a reduction of 1.3%. Payroll distribution, however, rose from \$51,386,339 at January 1 to \$54,346,903 at February 1, a gain of 5.8%.
- April 9. Prime Minister King announces Hugh D. Scully, commissioner of customs, will head Canada's first consulate-general in a foreign country, at New York.
Trade Minister MacKinnon announces agreement for the sale of 7,000,000 bushels of wheat to the Belgian government, to be delivered on request when all or part of occupied Belgium is freed.
The Dominion Bureau of Statistics reports a substantial increase in Canada's output of creamery butter during March, a total of 15,594,614 pounds compared with 11,729,900 in March, 1942.
- April 11. National Defence headquarters announces the appointment of Major-General J. H. Roberts, commander of the attacking force at Dieppe, to command all Canadian reinforcements in the United Kingdom.
- April 12. Sir Kingsley Wood, Chancellor of the Exchequer, told the British House of Commons of Canada's "generous spirit," outlining assistance given Britain and the United Nations by Canada.
Canada's national income reached a record monthly high of \$700,000,000 in February, equivalent to an annual rate of about \$8,300,000,000, reports Dominion Bureau of Statistics.
- April 14. Under the National Resources Mobilization Act, 86,596 men were granted postponement of military services because they were engaged in agriculture, 34,463 because they were engaged in war industries, and 56,016 for other reasons, up to January 31, 1943.
National Defence headquarters announces the appointment of Brig. G. G. Simonds of Kingston to command a Canadian army overseas division with the rank of major-general.
- April 14. The British Government will not interfere if the question of re-aligning Labrador with Canada is raised, states Dominions Secretary Clement Attlee.

APRIL HIGHLIGHTS—*Continued*

- April 15. The *Lady Nelson*, Canada's first hospital ship, was sunk 18 months ago by an enemy submarine in the Caribbean, raised and repaired. Cash totalling \$3,022,293 and clothing valued at \$1,283,529 have been contributed to the Canadian Aid to Russia Fund to date, reports the national treasurer.
- Labour Minister Mitchell announces plans to use conscientious objectors on farms and in essential industries, effective May 1. They will have the option of refusing to accept such employment and going to one of the 29 alternative service camps. Up to February 3, 1943, 3,401 postponements of military training were granted on grounds of conscientious objection.
- April 19. Service and civilian personnel of the armed forces in Canada now totals more than 438,609, the strength of military personnel at March 20 being more than 234,000, and civilian personnel totalling 6,969. The R.C.A.F. shows a total service and civilian personnel of 149,013, and the Navy a service personnel of 40,982 and civilian of 7,646, according to a return tabled in the House of Commons.
- Total consumption of gasoline in Canada, including aviation gasoline, was 26,780,573 barrels in 1942, compared with 27,860,917 in 1941, and 25,208,022 in 1940, according to a return tabled in the House of Commons.
- April 20. Prime Minister King announces no civilian will be permitted on the Alaska Highway without a permit, and permits will be issued only to those "whose presence in the area will contribute to the prosecution of the war."
- April 21. Prime Minister King branded as "savage and inhuman" the execution by the Japanese of some of the eight United States fliers captured after the bombing of Tokyo in April, 1942.
- The House of Commons adjourns for Easter recess until May 6.
- April 25. Navy Minister Macdonald states 77,000,000 deadweight tons of shipping have been carried in convoy across the Atlantic from America to Europe since the war began.
- A two-day shutdown at the Ford Motor Company of Canada plant at Windsor, which had tied up five industries in the Windsor area, causing unemployment for about 17,500 workers, ends. Grievances were to be arbitrated.
- Labour Minister Mitchell announces two orders-in-council amending National Selective Service regulations which empower him to order employers in specified industries to discontinue employing persons in age classes designated for military training after a specified date unless a special permit is obtained.
- April 26. The director of National Selective Service states there are about 300,000 men who have been called for national service and found unacceptable to the army who must be employed in essential work.
- The Fourth Victory Loan campaign for \$1,100,000,000 opens.
- April 27. Major-General G. G. Simonds, general officer commanding a Canadian Army division overseas, reports he has spent 13 days with the British 8th Army in Tunisia during the advance on and capture of Sfax.
- April 28. Substantial increases in the scale of post-discharge benefits to members of the armed forces pending re-establishment, and improvements in the provisions for treatment of men suffering from disabilities are being made, announces Pensions Minister Mackenzie.

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